

**SOUTH DAKOTA DEPARTMENT OF AGRICULTURE
LOAN PARTICIPATION CERTIFICATE AND AGREEMENT
Not Negotiable**

1. SALE

Bank	Participant	Borrower
Name _____	South Dakota Department of Agriculture	Name _____
Address _____	523 E. Capitol Ave., Foss Building	Address _____
City _____	Pierre, SD 57501-3182	City _____

Date Note	Note Number	Principal Amount Outstanding	Bank's Investment	Participant's Investment	Due Date	Bank's Interest Rate	Participant's Interest Rate
		\$	\$	\$		\$	\$

Bank has agreed to sell and assign and Participant has agreed to purchase, for the amount of Participant's Investment shown above, which shall be paid by Participant upon written notification of loan closing from the Bank, an undivided interest in the principal amount outstanding of that certain promissory note or notes (the "Note") of Borrower to Bank described above equal in amount to that percentage of the Principal Amount Outstanding which Participant's Investment is of the Principal Amount Outstanding; and Bank certifies that upon the date of such payment by Participant, Participant will be the owner of such an interest in the Note and will be entitled, under the circumstances and to the extent provided in Section 3, to enforce and collect the Note. For purposes of this agreement, the loan will be considered closed when all loan and security instruments have been duly executed, filed and recorded all of which is evidenced by executed security agreements, guarantees, assignments, mortgages and/or financing statements in favor of Bank.

2. COLLECTIONS AND EXPENSES

Bank shall receive all Collections, as defined in Section 6, and apply them on the day of receipt as follows: Collections shall be applied first to interest which is due on the Note at the Bank Interest Rate and Bank shall remit to Participant, from the Interest Collected, an amount of interest computed at Participant's Interest Rate on the unpaid balance of Participant's Investment less an agreed service fee as indicated in Section 2C. Such service fee shall be retained by Bank from each Collection. Collections in excess of Interest Collected are "Principal Collected" and Bank shall remit to Participant Participant's Percentage of Principal Collected, less Participant's Percentage of Expenses, as indicated below, not previously paid by Participant. Participant's Percentage of Principal Collected is:

- A. Participant's share of collections.
_____ Prorata. _____ % of Principal Collected.
_____ Reimbursed Expenses. Participant's Percentage of expenses paid by Participant to Bank and recovered by Bank.
- B. Participant's percentage of expenses.
_____ Shared Expenses. _____ % of expenses
- C. Participant's payment to Bank for Servicing.
_____ Service Fee. Bank shall retain _____ % of the unpaid balance of the Participant's Investment; or
Bank shall retain \$ _____ per transaction.

3. ADMINISTRATION AND SERVICING

Bank will service and manage the loan in accordance with its usual practices and will exercise the same degree of care to protect Participant's interest as it does its own. So long as Bank exercises such care in the servicing and management of the loan, it shall not be under any liability to Participant with respect to anything it may do or refrain from doing in the exercise of its judgement or which may seem to Bank to be necessary or desirable in the servicing and management of the loan, except for its willful misconduct. Bank may take any action determined by it in its sole discretion to be appropriate to enforce payment of the Note or to realize upon any collateral but it shall not, without the written consent of Participant, extend, renew, amend or change the Note or Agreements, or grant any consents, waivers, variances or releases thereunder or permit the release or substitution of any collateral therefor: provided that in the event the Bank shall file a petition in or become the subject of bankruptcy, liquidation, reorganization, receivership or similar proceedings, the Participant will have the right, to the extent of its interest therein, to collect and enforce the Note in its own name and for its own account. Bank shall with reasonable promptness notify Participant of any material default of Borrower of which it becomes aware and of any other matters, which, in its judgement, materially affect the interest of the parties in the loan. In the event of default by the Borrower, it is hereby agreed that if either party to this agreement deems foreclosure a necessary remedy, foreclosure of both parties' interest in the loan will be required. In the even adequate funds are not available to meet regular installments of the loan herein described, the funds available will be apportioned to the parties hereto based upon their respective current installments of principal and interest due.

In the event of foreclosure, sale, or liquidation of the secured property, fixed assets, or other obligations due to the parties hereto, from the Borrower, such sums received from foreclosure, sale, or liquidations shall be paid to each of the parties hereto in direct proportion to the original principal amounts advanced by the parties.

4. ADDITIONAL TERMS

This certificate and agreement includes the additional terms on the reverse side.

Date as of _____, _____

Participant	Bank
By: _____	By: _____
Title: _____	Title: _____

ADDITIONAL TERMS

5. Documentation. Bank will retain for itself and participant the Note, all possessory collateral securing the Note and all agreements, guarantees and other documents relative to or securing the Note (the "Agreement"). Bank will furnish to Participant copies of the Note and Agreement and all annual financial statements of Borrower received by Bank and will furnish to Participant, on request, copies of all notices and other financial statements of Borrower received by Bank. Participant may, upon request and at any time during banking hours, examine the records of Bank relating to the loan evidenced by the Note.

6. Collateral. The collateral if any, for the loan shall be evidenced by executed security agreements, guaranties, assignments, mortgages and/or financing statements in favor of the Bank. The parties hereto agree that their respective positions as secured creditors will reference to the loan herein described will be considered to be in a parity position as between the parties hereto. As used herein, parity shall mean equal rights with reference to the collateral, which is the security for the loan, so that in the event of default by the Borrowers, each of the parties hereto will be affected on a proportionate basis.

7. Collections. "Collections" means all payments of principal and interest received by Bank on the Note, including payments by or on behalf of Borrower, payments received from guarantors or sureties, payments received by means of set-off by Bank and net proceeds received from the disposition of collateral for the Note. In the event any Collections remitted to Participant are not finally collected Bank or are required to be repaid by Bank to or for the account of Borrower, Participant shall immediately return such Collections to Bank.

8. Expenses. "Expenses" include, without limitation, out-of-pocket expenses incurred by Bank in collecting, enforcing, or protecting the Note or any Collateral securing it.

9. Other loans. Any amounts advanced or additional loans made to the Borrower which is in excess of the original amount of the loan as herein described will not be covered by the agreement, unless prior written consent is obtained from the other party hereto; provided, however, that "protective advances" made by either party hereto, for the mutual protection of both parties, shall receive first priority in the apportionment of funds as herein described. For the purpose of this agreement, the parties agree that "protective advances" are payments made by one of the parties hereto for the purpose of protection of the financial interests of the parties, which are added to the principal amount due from the Borrower.

10. Miscellaneous.

- (a) Participant shall not, without the prior written consent of Bank sell, assign, pledge, subparticipate or otherwise transfer its rights in the Note. Bank will not transfer its interest in the Note without the prior written consent of the Participant.
- (b) All notices shall be sent by first class mail and addressed to the main office of the other party.
- (b) This agreement binds and inures to the benefit of the successors and assigns of the parties hereto and is governed by the laws of the State of South Dakota. This agreement shall remain in full force and effect until such time as the loan herein described has been satisfied of record.

11. Other Provisions.